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OFFICE OF GENERAL
COUNSEL

OLDAKER, BELAIR & WITTIE, LLP

Attorneys At Law

818 Connecticut Avenue, NW

Suite 1100

Washington, D.C. 20006

(202) 728-1010

fax: (202) 464-0669

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April 13, 2010

Ms. Marianne Abely
Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RE: MUR 6040
Rangel for Congress and Basil Paterson as Treasurer
National Leadership PAC and Basil Paterson as Treasurer

Dear Ms. Abely:

We are submitting the following response to the March 5, 2010 letter from the Chairman of the Federal Election Commission ("FEC") finding reason to believe that Rangel for Congress and the National Leadership PAC (collectively the "Committees") may have received in-kind contributions from Fourth Lenox, a general partnership (an apartment complex located in Harlem, New York), because the Committees appear to have paid less than the usual and normal charge for renting a unit (Unit 10U) from Fourth Lenox. At issue is whether Unit 10U was leased to the Committees on the same terms and conditions that it would have been offered to other similarly situated non-political committee tenants.

At the outset it should be noted that neither Mr. Rangel nor the Committees ever sought any discount or other special consideration from Fourth Lenox with respect to the rental of Unit 10U. Nor did Mr. Rangel or the Committees believe at any time that the rent being paid for Unit 10U was less than the usual and normal charge.

Indeed, the Committees did not receive any in-kind contributions from Fourth Lenox because the Committees paid the maximum lawful rent for Unit 10U, which was the usual and normal charge for the unit. Based on our understanding of New York's rent stabilization law, a landlord may charge no more than a certain fixed amount to any person who rents a rent-stabilized apartment. If a renter complies with certain criteria ("complying tenant"), that tenant is entitled to automatic renewal of the lease, subject to rent increases authorized by the New York Rent Guidelines Board. Landlords are not prohibited, however, from renting rent-stabilized units to non-complying tenants, and the

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amount a landlord charges a non-complying tenant may be no more than the amount it would be required to charge a complying tenant.

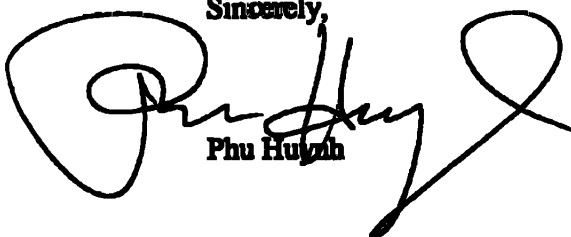
The only difference therefore between renting a rent-stabilized unit to a complying tenant versus a non-complying tenant is the complying tenant is entitled to an automatic renewal of the lease. In the case of a non-complying tenant, a landlord may choose not to renew the lease when it expires and declare the unit vacant; this would enable the landlord to potentially charge the next tenant a higher rent (beyond the authorized increase) but subject to a 20% cap unless extraordinary improvements had been made to the unit. The risk facing the landlord in such case, however, is the possibility of a long term vacancy and difficulty in finding a new financially reliable tenant who consistently paid on time.

In October 1996, when Mr. Rangol approached Fourth Lenox about leasing Unit 10U, there were numerous vacancies at the apartment complex, and Unit 10U had been uninhabited for some time (at least 3 months). Presumably the landlord was anxious to rent the unit for its own economic benefit and charged the maximum lawful rent for the unit.

As previously explained, a non-complying tenant does not have a right to automatic lease renewal. But since there were vacancies at Fourth Lenox throughout the time the lease was in effect, the landlord elected in each instance to renew the lease for Unit 10U, increasing the rent by the maximum amount permitted by the New York Rent Guidelines Board. Fourth Lenox presumably did so because it was in its economic interests to keep Unit 10U occupied by a paying tenant.

In sum, the Committees paid the usual and normal rent for Unit 10U. Fourth Lenox's decision to renew the lease was a business decision made in its own economic interests, and in each instance the Committees paid the maximum rent increases authorized by the New York Rent Guidelines Board.

Sincerely,

A handwritten signature in black ink, appearing to read 'Phu Huynh', with a large, stylized loop at the end.

Phu Huynh